Deployment Obligations Should Recognize Cost Differences Among Current A-CAM Companies

Ken Pfister, Great Plains Communications

Wendy Thompson Fast, Consolidated Companies

Carol Mattey, Mattey Consulting LLC

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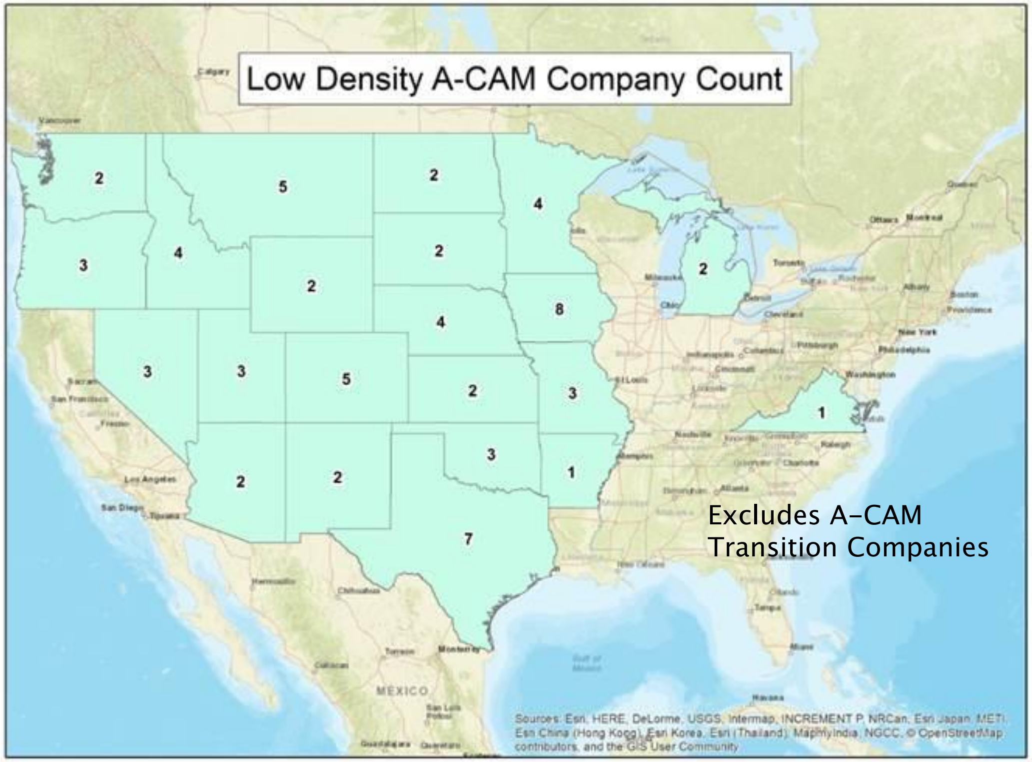
Low-Density Companies Are Concentrated in States with Low Cost Recovery

State	Statewide % Cost recovered from ACAM support @ $200
NV	33.3%
WY	42.7%
NM	44.2%
MT	47.5%
UT	48.6%
OR	50.9%
AZ	51.5%
WA	57.1%
ID	57.7%
TX	57.8%
CO	58.1%
NE	59.0%
AK	61.6%
OK	67.8%
KS	69.4%
ND	70.1%
SD	72.1%
MI	72.2%
MO	77.2%
MN	81.8%
IA	83.2%
AR	87.1%
VA	89.2%

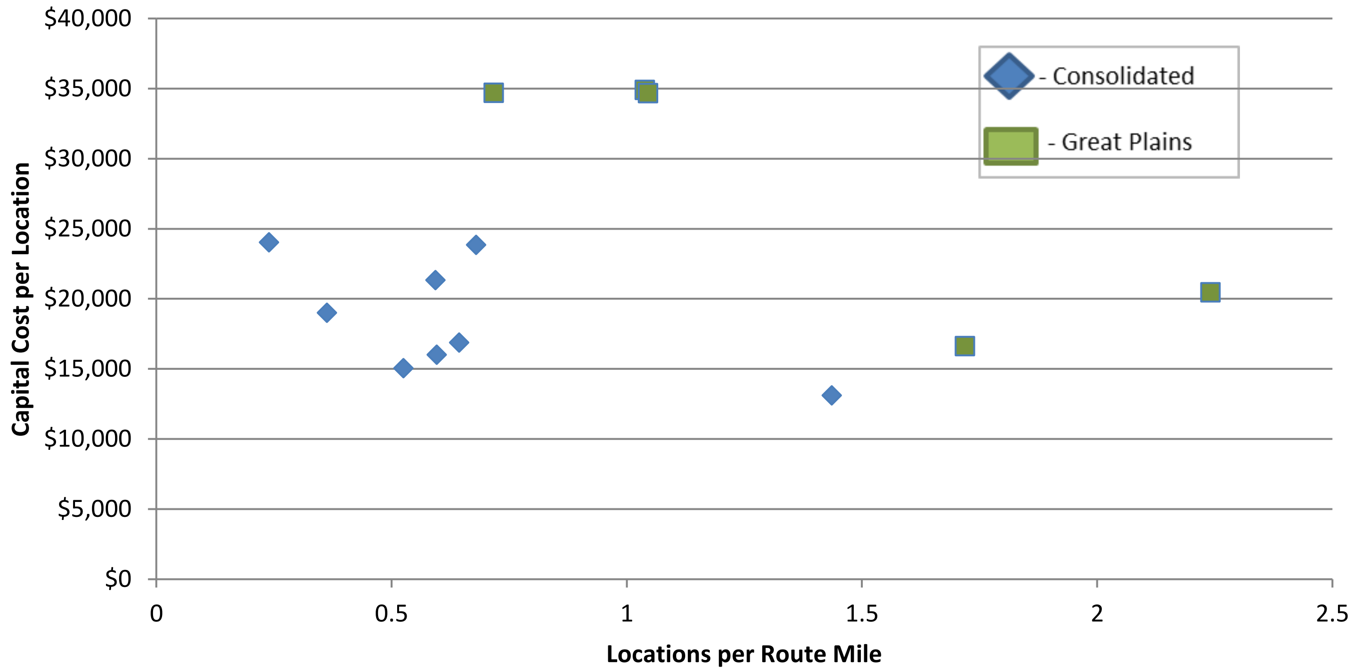


- One-third of A-CAM companies are low density
  - Low Density: less than 5 locations per square mile
- 72 low-density companies are located in 23 states

Deployment Obligations Must Be Realistic for Low-Density Areas

- Companies will consider whether incremental support is sufficient to cover incremental capital expenditures for new obligations
  - Level of funding
  - Number of years of funding
  - Required deployment levels
- To achieve 25/3 Mbps, fiber-to-the-home is required in low-density areas whereas VDSL could be used in some medium- and high-density areas
- In low-density areas, the cost to deploy is higher and the investments have a longer economic life
  - Electronics: 11 year asset
  - Fiber: 25 year asset

A-CAM Capital Costs Are Consistent with Those of Nebraska Companies



Capital Cost per Fully Funded Location	Consolidated	Great Plains
A-CAM	$18,497	$22,363
Weighted Average of Actual Projects	$17,432	$24,701